
Request No. DTE 6-36 (Gas):
Refer to Sch. JLH-4 (Gas) at 1 of 5. Please explain and provide an actual example of how the Company computed the figures that appear in the column entitled "ANNUAL AVG." Also, please explain and provide an actual example of how the Company computed the "WINTER Gas Cost" and "SUMMER Gas Cost" figures which appear in the rows entitled "HLF(1)" and "LLF(1)."

Response:
The figures shown in the column labeled "ANNUAL AVG." are computed by dividing the right most column labeled "TOTAL COSTS, ANNUAL" by the annual sales volume. As an example, the first row, labeled rate R-3, R-4 is computed as follows:

$$\frac{6,982,162}{10,480,157} = \$0.662$$

The unit costs in the column shown as "WINTER Gas Costs" "SUMMER Gas Costs" are computed by dividing the total costs for the winter or summer season shown at the right side of this spreadsheet by the winter or summer sales volumes. The rows labeled "HLF (1)" and "LLF (1)" represent subtotals of the high load factor and low load factor rate classes. The sales volumes, demand costs, commodity costs and total costs for these subtotals were developed by summing classes as follows:

HLF	LLF
RATE R-1, R-2	RATE R-3, R-4
RATE G-51	RATE G-41
RATE G-52	RATE G-42
RATE G-53	RATE G-43

To demonstrate this calculation, the winter high load factor rate is computed as the winter total gas costs of $1,385,905 divided by winter sales volumes of 2,089,136 therms for a unit cost of $0.6634 per therm.

Person Responsible: James L. Harrison